



6450-01-P

## **DEPARTMENT OF ENERGY**

### **Western Area Power Administration**

#### **Washoe Project-Rate Order No. WAPA-160**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of Extension of Non-Firm Power Formula Rate.

**SUMMARY:** The Western Area Power Administration (Western) extends, on an interim basis, the existing Washoe Project formula rate through September 30, 2017. The existing Non-Firm Power Formula Rate Schedule SNF-7 expires on July 31, 2013. The formula rate will be in effect until the Federal Energy Regulatory Commission (FERC) places the formula rate into effect on a final basis or until it is replaced by another rate.

**DATES:** This action is effective as of July 31, 2013.

**FOR FURTHER INFORMATION CONTACT:** Mr. Thomas R. Boyko, Regional Manager, Sierra Nevada Customer Service Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4418, e-mail: [boyko@wapa.gov](mailto:boyko@wapa.gov), or Ms. Regina Rieger, Rates Manager, Sierra Nevada Customer Service Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630-4710, (916) 353-4629, e-mail: [rieger@wapa.gov](mailto:rieger@wapa.gov).

**SUPPLEMENTARY INFORMATION:** By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates

to FERC. This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

On April 16, 2009, FERC confirmed and approved the existing formula rate for the Washoe Project, Stampede Division (Project), Non-Firm Power Formula Rate Schedule SNF-7,<sup>1</sup> Rate Order No. WAPA-136.<sup>2</sup> Rate Schedule SNF-7 expires on July 31, 2013. This formula rate is calculated annually after determining the Project's reimbursable expenses and revenue collected in accordance with the Stampede Energy Exchange Services Contract. Since the Project has no Federally-owned transmission, a contractor accepts delivery of Project generation, approximately 12,000 megawatt-hours annually, to serve project use obligations, then pays Western for energy received in excess of project use loads. Pursuant to Rate Schedule SNF-7, any remaining reimbursable expenses are transferred into the Central Valley Project power revenue requirement. The existing formula rate methodology collects annual revenue sufficient to recover annual expenses, including interest, capital requirements, and deficit recovery, thus ensuring Project repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

Rate extensions are authorized under 10 CFR 903.23. Rates previously confirmed and approved by FERC, for which no adjustment is contemplated, may be extended by the Deputy Secretary on an interim basis following notice of proposed extension at least 30 days before expiration.<sup>3</sup> On February 22, 2013, Western published a notice of the proposed extension in the *Federal Register*.<sup>4</sup>

Following review of Western's proposal within DOE, I hereby approve, on an interim basis, Rate Order No. WAPA-160, which extends, without adjustment, the existing Non-Firm Power

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<sup>1</sup> See *U.S. Dept. of Energy, Western Area Power Admin.*, Docket No. EF08-5161-000, 127 FERC ¶ 62,043 (2009).

<sup>2</sup> See 73 FR 42565 (July 22, 2008).

<sup>3</sup> See 10 CFR 903.23(a) (2012).

<sup>4</sup> See 78 FR 12308 (February 22, 2013).

Formula Rate Schedule SNF-7 through September 30, 2017. Rate Order No. WAPA-160 will be submitted to FERC for confirmation and approval on a final basis.

Dated: April 23, 2013.

Daniel B. Poneman  
Acting Secretary

**DEPARTMENT OF ENERGY  
DEPUTY SECRETARY**

In the Matter of:	)	
	)	
Western Area Power Administration	)	
Rate Extension for	)	Rate Order No. WAPA-160
Washoe Project, Stampede Division,	)	
Non-Firm Power Formula Rate Schedule	)	
	)	

**ORDER CONFIRMING AND APPROVING AN EXTENSION  
OF THE WASHOE PROJECT, STAMPEDE DIVISION, NON-FIRM POWER  
FORMULA RATE SCHEDULE**

Section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152) transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of the Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

## BACKGROUND

On April 16, 2009, FERC confirmed and approved the existing formula rate for the Washoe Project, Stampede Division (Project), Non-Firm Power Formula Rate Schedule SNF-7,<sup>1</sup> Rate Order No. WAPA-136.<sup>2</sup> FERC approved Rate Schedule SNF-7 for 5 years beginning August 1, 2008, through July 31, 2013. On February 22, 2013, pursuant to 10 CFR 903.23(a), Western filed a notice in the *Federal Register* proposing to extend, without adjustment, Rate Schedule SNF-7, as Rate Order No. WAPA-160.<sup>3</sup> Consistent with its regulations at 10 CFR 903.23(a), Western did not hold a consultation and comment period.

## DISCUSSION

The Project's Non-Firm Power Formula Rate Schedule SNF-7 expires on July 31, 2013. The formula rate, calculated annually, transfers reimbursable expenses not recovered by contract into the Central Valley Project power revenue requirement. The existing formula rate methodology collects annual revenue sufficient to recover annual expenses, including interest, capital requirements, and deficit recovery, thus ensuring Project repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

For the extension period, August 1, 2013, through September 30, 2017, there is no adjustment to the formula rate. Under the formula rate, the forecasted annual revenue is \$361,000, a reduction of approximately \$418,000 from the prior rate period, August 1, 2008, through July 31, 2013, due to completion of deficit repayment. The Project is scheduled to recover the remaining \$1.6 million deficit by 2015 and all appropriate costs. Rate Order No. WAPA-160 extends the

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<sup>1</sup> See *U.S. Dept. of Energy, Western Area Power Admin.*, Docket No. EF08-5161-000, 127 FERC ¶ 62,043 (2009).

<sup>2</sup> See 73 FR 42,565 (July 22, 2008).

<sup>3</sup> See 78 FR 12,308 (February 22, 2013).

existing Rate Schedule SNF-7 through September 30, 2017, thereby continuing to ensure Project repayment within the cost recovery criteria.

### **ORDER**

In view of the above and under the authority delegated to me, I hereby extend, on an interim basis, the existing Non-Firm Power Formula Rate Schedule SNF-7. Rate Order No. WAPA-160 extends, without adjustment, the existing formula rate through September 30, 2017. The formula rate shall be in effect pending the FERC confirmation and approval of this extension or substitute rate on a final basis.

Dated: April 23, 2013

Daniel B. Poneman  
Acting Secretary

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